

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES)
COMPANY FOR AN ADJUSTMENT OF ITS) **CASE NO. 2012-00221**
ELECTRIC RATES)

KENTUCKY UTILITIES COMPANY'S
MOTION TO CORRECT ORDER

Kentucky Utilities Company (“KU”), by counsel, hereby respectfully moves the Public Service Commission (“Commission”) to issue an Order correcting its December 20, 2012 Order (“Final Order”) in this proceeding. The Final Order approved, among other items, a revision to KU’s Cable Television Attachment Charges (“CTAC”) of \$9.96 per year for each attachment to a pole. When KU and the other parties to the proceeding filed the Settlement Agreement, Stipulation, and Recommendation (“Settlement Agreement”) with the Commission on November 19, 2012, attached as Exhibit 4 were KU’s tariffs that incorporated the rates and terms of the Settlement Agreement. The Commission’s Final Order ultimately approved the tariffs that were attached as Exhibit 4 and the tariffs became effective January 1, 2013.

The correct attachment charge, however, is \$9.69, instead of \$9.96. While KU calculated the charge correctly, it mistakenly inverted the last two numbers when it prepared the tariffs that were filed with the Settlement Agreement. The attached Exhibit 1 shows how the \$9.69 attachment charge was calculated. Attached as Exhibit 2 is P.S.C. No. 16, Original Sheet No. 40, which is the correct CTAC tariff containing the \$9.69 attachment charge. The inadvertent transposition of .69 to .96 in KU’s CTAC tariff is a typographical type of error. It is revenue neutral and has no impact of any kind on the other rates and charges approved in the Final Order.

Because KU bills CTAC customers on a six month basis, no customers have been billed the incorrect rate as the bills covering the January 1 to June 30, 2013 period have not been issued. The bills for this time period will be issued in July. As such, no customer refunds are required. KU respectfully requests that the Commission issue an order correcting its December 20, 2012 order finding that the correct attachment charge under KU's CTAC tariff is \$9.69. KU further requests the Commission issue an order by June 24, 2013 to permit KU to bill customers the \$9.69 charge when bills are issued in July.

Dated: May 24, 2013

Respectfully submitted,



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*Counsel for Kentucky Utilities Company and
Louisville Gas and Electric Company*

CERTIFICATE OF COMPLIANCE

In accordance with Ordering Paragraph No. 10 of the Commission's June 22, 2012 Order, this is to certify that Louisville Gas and Electric Company's May 24, 2013 electronic filing of the foregoing is a true and accurate copy of the same document being filed in paper medium; that the electronic filing has been transmitted to the Commission on May 24, 2013; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original and two copies in paper medium of this filing were hand delivered to the Commission on May 24, 2013.

A handwritten signature in blue ink, appearing to read "Harold R. Riser". The signature is written in a cursive style with a horizontal line at the end.

*Counsel for Kentucky Utilities Company and
Louisville Gas and Electric Company*

400001.145726/4125129.3

Exhibit 1

KENTUCKY UTILITIES COMPANY

Calculation Of Annual Carrying Charge

Proposed Rate of Return	7.21%
Depreciation - Sinking Fund	0.69%
Income Tax (1)	3.20%
Property Tax and Insurance	0.22%
Operation and Maintenance (Page 3)	<u>6.61%</u>
Total	17.93%

(1) Derived from rates of equity capital

	<u>Capitalization Ratio</u>	<u>Annual Rate</u>	<u>Composite Rate</u>
Short Term Debt	0.00%	0.41%	0.00%
Long Term Debt	46.30%	3.69%	1.71%
Common Equity	<u>53.70%</u>	<u>10.25%</u>	<u>5.50%</u>
Total Capitalization	100.00%		7.21%

Composite Federal and State Income Taxes rate = 36.75%

Income Tax = $(0.3675 / (1 - 0.3675)) \times 0.0550 = 3.20\%$

KENTUCKY UTILITIES COMPANY

Operation and Maintenance Expenses for
the 12 Months Ended October 31, 2009

(1) Labor Charged to 593001- Maint of Poles, Towers and Fixtures Subaccount	\$384,792	
- Tree Trimming	<u>734,182</u>	
		\$1,118,974
Total Labor		\$135,498,603
Total Administrative and General Expenses		\$93,031,576

Assignment of a Portion of A & G Expenses to Poles

$$(\$1,118,974/\$135,498,603) \times \$93,031,576 = \$768,273$$

Expenses Assigned to Poles

Maintenance of Poles, Towers, and Fixtures Subaccount 593001	\$	773,792
Tree Trimming of Electric Distribution Routes 593004		16,546,569
A & G Expenses Assigned to Poles		<u>\$768,273</u>
Total	\$	<u>18,088,634</u>

Adder to Annual Carrying Charges for O & M Expenses

\$ <u>18,088,634</u>	Expenses Assigned to Poles	=	6.61%
273,798,351	Plant in Service - Account 364		

Exhibit 2

Standard Rate

CTAC
Cable Television Attachment Charges

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Where Company is willing to permit the attachments of cables, wires and appliances to its poles where, in Company's judgment, such attachments will not interfere with its electric service requirements and other prior licensees using Company's poles. Attachments will be permitted upon execution by both parties of a Cable Television Attachment Agreement supplied by Company.

ATTACHMENT CHARGE

\$9.69 per year for each attachment to pole.

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BILLING

Attachment Charges to be billed semi-annually based on the number of pole attachments being maintained on December 1 and June 1. Provided, however, that should the Agreement be terminated in accordance with the terms of the said Agreement, the Attachment Charges will be prorated to the date of such termination. Payment will be due within thirty (30) days from date of bill. Non-payment of bills shall constitute a default of the Agreement.

TERM OF AGREEMENT

The Cable Television Attachment Agreement shall become effective upon execution by both parties and shall continue in effect for not less than one (1) year, subject to provisions contained in the agreement. At any time thereafter, the Customer may terminate the agreement by giving not less than six (6) months' prior written notice. Upon termination of the agreement, Customer shall immediately remove its cables, wire, appliances and all other attachments from all poles of Company.

TERMS AND CONDITIONS OF POLE ATTACHMENTS

Pole attachments shall be permitted in accordance with this Schedule. Company's Terms and Conditions shall be applicable, to the extent they are not in conflict with or inconsistent with, the special provisions of this Schedule.

Upon written Agreement, Company is willing to permit, to the extent it may lawfully do so, the attachment of cables, wires and appliances to its poles by a cable television system operator, hereinafter "Customer," where, in its judgment, such use will not interfere with its electric service requirements and other prior licensees using Company's poles, including consideration of economy and safety, in accordance with this schedule approved by the Public Service Commission. The Terms and Conditions applicable to such service are as follows:

DATE OF ISSUE: May 24, 2013

DATE EFFECTIVE: January 1, 2013

ISSUED BY: /s/ Edwin R. Staton, Vice President
State Regulation and Rates
Lexington, Kentucky